



DEPARTMENT OF DEFENSE

BILLING CODE 5001-06

Office of the Secretary

David Grant United States Air Force Medical Center Specialty Care Travel

Reimbursement Demonstration Project

AGENCY: Department of Defense

ACTION: Notice of demonstration project

SUMMARY: This notice is to advise interested parties of a Military Health System (MHS) demonstration project under the authority of Title 10, United States Code, Section 1092, entitled David Grant United States Air Force Medical Center Specialty Care Travel Reimbursement Demonstration Project. This demonstration project is intended to test whether providing travel reimbursement will increase utilization of the direct care system by selected beneficiaries. The Military Treatment Facility (MTF) commander would determine based on the MTF's individual capabilities, which specialty services in the facility currently have excess capacity and then offer those specialty services to qualified beneficiaries, including TRICARE Prime, TRICARE Standard and TRICARE for Life (TFL) beneficiaries, who reside more than one hour drive time away from the David Grant United States Air Force Medical Center (DGMC). These beneficiaries would be enticed to receive this specialty care from the more distant MTF rather than a closer authorized provider through the payment of travel costs from their residence to the MTF. The travel reimbursement offered under this demonstration will include roundtrip mileage reimbursement from the patient's residence to DGMC. Reimbursement may also

include overnight lodging for the patient the evening before an early morning procedure and travel for a non-medical attendant for patients when medically indicated. This demonstration will test if the travel reimbursement incentive can produce a cost of care savings related to the recapturing of selected DoD beneficiaries. This travel benefit will be authorized only when the MTF commander (or designee) determines that the DoD cost of funding the care (including the travel benefit) in the MTF is likely to be less than the DoD cost to provide the care in the purchased care system. This demonstration also seeks to maximize the utilization of DGMC specialists, maintain an adequate clinical case mix of patients for approved Graduate Medical Education program functioning in the MTF, and sustain readiness-related medical skills activities for the military providers. This demonstration would be initially conducted at DGMC and its satellite clinic, the McClellan Clinic (MCC) as well as the clinic located at Beale Air Force Base (Beale). However, it could be expanded to other MTFs with the approval of the Assistant Secretary of Defense (Health Affairs), and a subsequent Federal Register notification.

DATES: This demonstration will be effective 60 days from the date of this notice for a period of thirty six (36) months, unless extended by a separate action.

ADDRESSES: TRICARE Management Activity (TMA), Health Plan Operations, 7700 Arlington Boulevard, Suite 5101, Falls Church, VA 22042-5101.

FOR FURTHER INFORMATION CONTACT: For questions pertaining to this demonstration project, please contact Maj. Kevin Schultz at (707) -423-7887.

## SUPPLEMENTARY INFORMATION:

### a. Background

A basic principle of the TRICARE program and the Military Health System (MHS) business design is that MTFs have first priority for providing referred specialty care or inpatient care for all TRICARE Prime enrollees. If the MTF does not have the capability to provide the needed care or cannot provide the care within the required access standard, then the care will be referred to the TRICARE provider network. TRICARE Prime access standards require referrals for specialty care services to be provided with an appropriately trained provider within 4 weeks or sooner, if required, and within 1-hour travel time from the beneficiary's residence. The geographic area that represents 1-hour travel time surrounding an MTF is referred to as the Right of First Refusal (ROFR) area.

For those Prime beneficiaries that live outside the ROFR area, their specialty care is referred to the civilian network. TRICARE Standard and TFL beneficiaries maintain freedom of choice and may receive specialty care from any TRICARE authorized civilian provider or alternatively may elect to receive their care in a MTF to the extent such care is available to them.

DoD's authority to reimburse travel expenses for TRICARE beneficiaries is currently limited to the TRICARE Prime Travel Benefit, provided pursuant to 10 USC 1074i, which reimburses only Prime beneficiaries for non-emergent medically necessary specialty care that is provided more than 100 miles from the beneficiary's primary care

provider's office to the nearest specialist's office. The benefit is limited to specialty referrals when no other options for care are available within 100 miles of the primary care provider. This demonstration project is designed to test the effectiveness of a voluntary local travel reimbursement designed to recapture certain specialty care within the direct care system for beneficiaries who reside outside of the ROFR area.

David Grant United States Air Force Medical Center (DGMC) at Travis Air Force Base (AFB) is currently a 116-bed facility and fulfills a key role in the Air Force Medical Service as the second largest deployment platform. A robust TRICARE eligible population remains in the Northern California area, however much of it is located just beyond a 60-minute drive time from DGMC. DGMC also operates the McClellan satellite clinic (MCC) in Sacramento. This satellite clinic offers an opportunity to recapture a larger DoD beneficiary population than is available in the existing DGMC Prime Service Area and ROFR area for specialty care. Based on surveys of existing patients at the clinic, travel distance is the most significant factor for why patients do not utilize DGMC for specialty care that may only be available at the MTF vice the clinic.

Over the last year, DGMC specialties have begun offering outpatient services at MCC, with appointment availability varying based on patient demand. The majority of patient care can be provided at MCC including initial consults, medication management, and pre/post-operative visits. When required, the physician will schedule a patient for surgery or other procedure not available at MCC, at DGMC. The feedback from patients has been very positive as MCC offers specialty services much closer to the patient's residence.

These DGMC efforts have proven to be very successful in recapturing specialty care in the immediate area surrounding the hospital. Through this demonstration project, DGMC will now seek to reach the larger beneficiary population that resides beyond the 60 minute drive time to the MTF (those outside the ROFR area) to maximize the direct care system and improve provider currency and deployment capability through increased patient acuity and volume.

Under this demonstration, DGMC would reimburse TRICARE Prime, TRICARE Standard, and TFL beneficiaries who live outside of the ROFR area of DGMC for reasonable travel expenses when they agree to receive specialty procedures, including diagnostic and surgical procedures not otherwise available at MCC or Beale AFB, in specialties determined by the Commander of DGMC to have excess capacity.

Reimbursement will only be authorized when the beneficiary resides outside of the ROFR area of the DGMC and (1) a specialty provider at MCC or Beale sends a patient to DGMC for care not available at MCC or (2) a patient is assessed by a specialist who is an authorized TRICARE provider and identified as a candidate for a surgical intervention to be performed at DGMC. There will be no requirement for a network provider outside of the ROFR area to refer the patient to DGMC, but all authorized specialty providers will be given information on how to make the referral if the patient desires to use DGMC.

The demonstration project will be communicated to the non-Prime beneficiaries through multiple communications channels, to include provider outreach and other media.

For purposes of this demonstration, once the beneficiary is identified as requiring a procedure at DGMC, they will be referred to the Beneficiary Counseling and Assistance

Coordinator (BCAC) at MCC. The BCAC will review the patient information and determine if the patient is eligible for travel reimbursement. If so, the BCAC will brief the patient as to the process and assist the patient in applying for the travel as well as processing any travel vouchers. Travel for a non-medical attendant (NMA) for patients who require admission may be authorized when the attendance of a NMA is medically indicated. When the patient's procedure is to occur before 8:00 AM, then reimbursement for the patient and an NMA may be authorized for lodging for the one night prior to the procedure. The maximum reimbursement shall be the lesser of the actual lodging costs or the locality lodging rate. This shall be in addition to the normal mileage reimbursement of 51 cents per mile. If the beneficiary is hospitalized overnight, the NMA may also be authorized reimbursement for the mileage back to their residence. The MCC BCAC will assist with making arrangements at the Travis Fisher House, base lodging, or local hotel, based on availability. The amount of travel to DGMC will be minimized as much as possible by offering pre/post-operative visits at MCC, as well as diagnostic testing either at MCC or in the civilian network.

Beneficiary participation in this demonstration program is strictly voluntary; beneficiaries will be allowed to seek specialty procedures/care in the private care system if they prefer. The 60 minute drive time access to care standard for Prime beneficiaries would still be applicable, so Prime beneficiaries wanting to participate would have to waive their access to care standards. The authorization and oversight of the reimbursement and, if needed, the coordination with other healthcare insurance (OHI) plans will be the responsibility of the MTF.

## b. Implementation

This demonstration will be effective 60 days from the date of this notice for a period of thirty six (36) months.

## c. Evaluation

The results of this demonstration will allow a focused study on the impact a voluntary local travel reimbursement will have on encouraging TRICARE beneficiaries who live beyond a 60 minute drive time to an MTF (those outside the ROFR area) to nonetheless utilize the direct care system for needed specialty care in lieu of electing a closer, purchased care provider. Throughout the demonstration project, there will be monthly tracking of the number of DGMC inpatient admissions and outpatient encounters by demonstration participants who reside outside the DGMC ROFR area for the identified specialties. There will also be quarterly tracking of marketing initiatives to measure their effectiveness in ensuring that eligible beneficiaries in the target area are aware of the availability of specialty services at MCC and the corresponding travel reimbursement to/from DGMC. Success of the demonstration would be determined in part by a substantial increase in encounters from beneficiaries that reside outside the DGMC ROFR area for identified specialties while at the same time there is no increase in the referral rate to the network from DGMC for these same specialties for TRICARE Prime beneficiaries that reside within the ROFR area. Data will also be gathered regarding local travel reimbursement expenditures and the estimated purchased care cost-savings of demonstration participants. At the end of the demonstration, a thorough business case analysis will be conducted of the relevant expenditures and cost-savings, in

addition to an assessment of the demonstration project's impact on MTF productivity, provider currency in the identified specialties, and utilization of excess capacity in the direct care system. Following this evaluation, Health Affairs may seek permanent authority to implement a travel reimbursement program for certain beneficiaries when they agree to receive specialty care in the direct care system.

DATED: February 1, 2013.

Patricia L. Toppings  
OSD Federal Register Liaison Officer  
Department of Defense

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